



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1217

DATE: February 28, 2013

TO: Iowa Medicaid Home and Community Based Services (HCBS) Habilitation, Waiver and Day Habilitation Service Providers, Residential Care Facility (RCF) Administrators, Case Managers, Targeted Case Managers and Service Workers, Service Supervisors and Service Area Administrators

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: HCBS Habilitation and Intellectual Disability (ID) Waiver Day Habilitation Services

EFFECTIVE: Immediately

This letter is intended to provide RCFs with clarification of the administrative rules for provider qualifications and the authorization and reimbursement of HCBS Habilitation and ID Waiver Day Habilitation services.

It has come to the attention of the department that the Day Habilitation service under the HCBS Habilitation program and the HCBS ID Waiver is not consistently being provided in accordance with the administrative rules or as intended by the Centers for Medicare and Medicaid Services (CMS). Recent Day Habilitation service reviews have shown that some providers are billing Medicaid improperly for Day Habilitation. Recent concerns identified include:

- Providers who do not meet the provider qualifications for Day Habilitation due to a lack of accreditation from the Department of Human Services under 441 Iowa Administrative Code (IAC) Chapter 24 to provide day treatment, the Commission on Accreditation of Rehabilitation Facilities (CARF), or the Council on Quality and Leadership (the Council).
- Providers not providing for, and delivering an organized program of, skill development in accordance with member's Comprehensive Service Plan developed by the Case Manager.
- Providers billing Medicaid for Day Habilitation for activities which do not meet the Medicaid definition of Day Habilitation, including supervision and time, while the member is asleep and not participating in Day Habilitation services, as defined in the IAC.
- Services are delivered in the member's sleeping room or in the hallways of the RCF.
- Documentation is nonexistent or insufficient to support the amount of time billed to Medicaid.

- Documentation does not meet the criteria in 441 IAC 79.3(3), including no dates of service or locations documented, no start and stop times, no description of the service provided which would provide details about interactions, activities, behaviors, successes, refusals, etc.

CMS provided clarification of Day Habilitation services in the CMS Informational Bulletin dated September 16, 2011. This Informational Bulletin is intended to provide clarification of existing CMS guidance on development and implementation of 1915(c) waivers. It is important to note that federal regulations governing 1915(c) waiver services also apply to the 1915(i) state plan Habilitation services. You may access the Informational Bulletin at: <http://downloads.cms.gov/cmsgov/archived-downloads/CMCSBulletins/downloads/CIB-9-16-11.pdf>

HCBS Habilitation Day service is defined in 441 IAC 78.27(8) and the HCBS ID Waiver Day Habilitation service is defined in 441 IAC 78.41(14). These rules may be accessed at the following link:

http://www.dhs.iowa.gov/policyanalysis/PolicyManualPages/Manual_Documents/Rules/441-78.pdf

Case Managers and Day Habilitation providers must remember that Day Habilitation **is**:

- Delivered in accordance with an approved Comprehensive Service Plan which specifically identifies the specific skills, training and assistance to be provided, and the amount and frequency with which it will be provided.
- Coordinated with any needed therapies in the individual's Comprehensive Service Plan, such as physical therapy, occupational therapy or speech therapy.
- The provision of regularly scheduled activities in a non-residential setting, separate from the participant's private residence, sleeping accommodations or other residential living arrangement.
- Face to face skill development training and supports; such as assistance with the acquisition, retention or improvement of self-help, socialization and adaptive skills that enhance activities of daily living, social development and community participation.
- An organized program of activities designed to foster the acquisition of skills, building positive social behavior and interpersonal competence, greater independence and personal choice.
- Designed and delivered in a manner that is individualized and focused on enabling the member to attain or maintain his or her maximum potential.
- Provided and documented in accordance with 441 IAC Chapters 77, 78 and 79.

Case Managers and Day Habilitation providers must remember that Day Habilitation **is not**:

- Supervision or protective oversight.
- Indirect services such as meetings, documentation or collateral contacts.
- Payment of services that are vocational in nature (i.e., for the primary purpose of producing goods or performing services).
- Payment for services provided in a Residential Care Facility that the RCF is required to provide as a condition of licensure.
- Payment for services that duplicate services which are provided by the Department of Education.
- Available to ID Waiver members under the age of 16.

Please be advised that any Day Habilitation services which do not meet the definitions found in 441 IAC Chapter 78 and are not documented in accordance with 441 IAC 79.3(3) will be subject to recoupment.

Please direct any questions and comments to HCBSWaiver@dhs.state.ia.us.